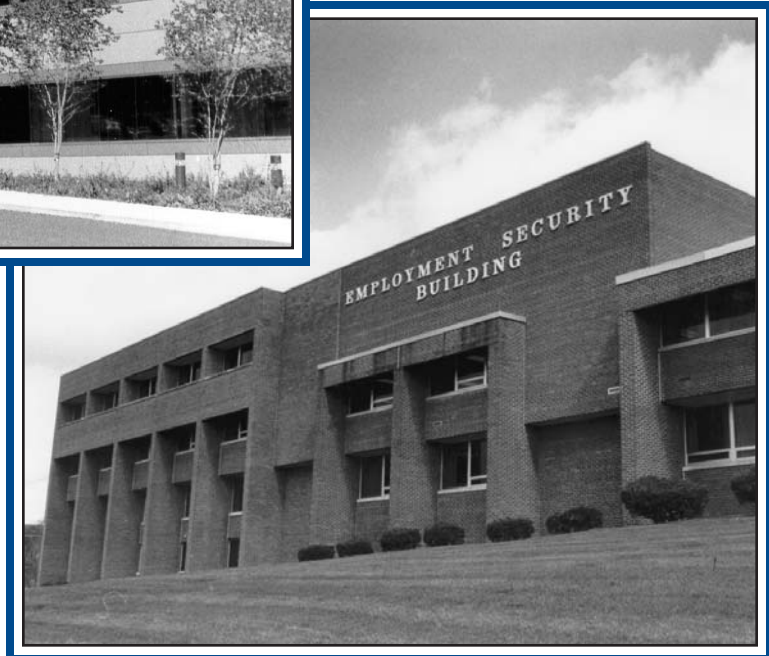


# MISSOURI DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

## Strategic Plan



2001-2005

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*Fiscal Year 2006 Update*  
(Revised December, 2004)

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Reduced job related accidents, illnesses and fatalities.

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## **Outcome Two**

Increased efficiency and customer satisfaction with department services.

# Executive Summary

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## Vision

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Be the nationwide leader in providing the best working environment for all Missourians.

## Mission

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The Department of Labor and Industrial Relations is dedicated to providing safe and healthy workplaces and ensuring economic security for all Missourians.

## Values

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The Department of Labor and Industrial Relations believes in the following principles to accomplish its vision and mission:

- **Leader** – Be the front runner in administering state and federal laws regarding employer and employee rights and responsibilities.
- **Partnerships** – Collaborate with federal, state and local partners and employers, other government agencies, communities and customers to provide the best environment for all who work in Missouri.
- **Accountability** – Streamline programs and services to provide Missourians with exceptional service in the most cost-efficient manner.
- **Inventiveness** – Provide the most innovative, creative and hassle-free services to Missouri citizens.

## Key Outcomes and Objectives

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1. Reduced number of accidents, illnesses and fatalities.
  - 1.1 Increase the number of workplace hazards eliminated resulting in a cost savings for Missouri businesses.  
Decrease the number of workplace hazards found at Missouri mine sites.
  - 1.2 Increase the number of children verified by a child labor inspection to be employed in safe and healthy workplaces.

2. Increased efficiency and customer satisfaction with department services.
  - 2.1 Increase the percentage of accurate and timely First Report of Injury (FRI) information received.
  - 2.2 Increase the percentage of claimants filing new, renewed, reopened and weekly unemployment insurance claims via the Internet.
  - 2.3 Increase the percentage of employers filing contribution wage reports and/or payment of contributions via the Internet.  
Decrease the average time and cost to a business to file a quarterly contribution wage report.
  - 2.4 Increase the percentage of first benefit payments made within 14 days of the first compensable week.  
Increase the percentage of nonmonetary determinations on separation issues completed within 21 days from detection date.  
Increase the percentage of lower authority appeals decided within 30 days of appeal.
  - 2.5 Reduce the average wait time on telephone when filing an unemployment insurance claim.  
Increase the average number of calls answered per Regional Claims Center (RCC) staff.

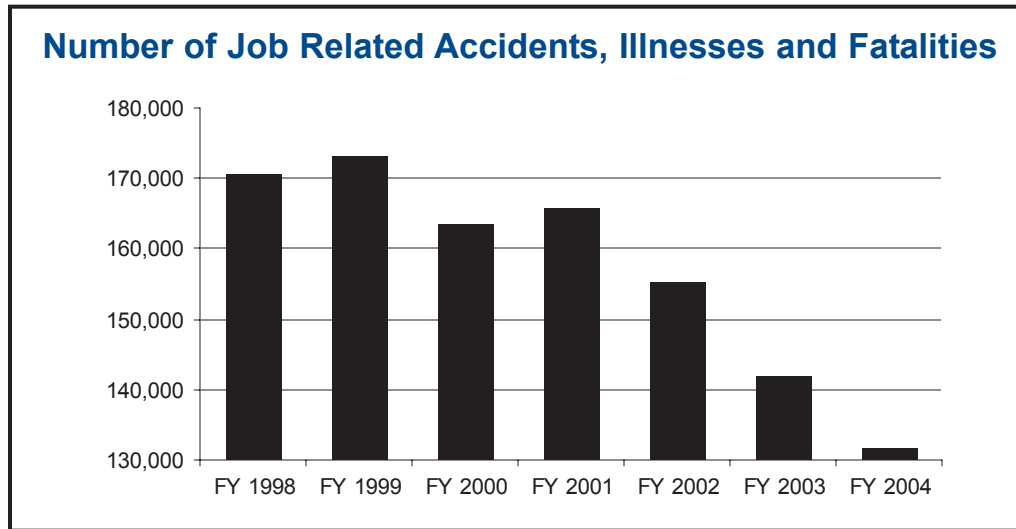
## Key Programs

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- Child Labor
- Crime Victims' Compensation
- Discrimination Intake and Investigation
- Mine and Cave Safety and Health Training and Inspection
- Missouri Workers' Safety
- On-Site Safety and Health Consultation
- Prevailing Wage
- Public Sector Bargaining
- Unemployment Insurance (Appeals, Benefits, Contributions)
- Wage and Hour
- Workers' Compensation

## OUTCOME ONE:

### Reduced Number of Job Related Accidents, Illnesses and Fatalities.



SOURCE: Division of Workers' Compensation, Department of Labor and Industrial Relations

#### Data Table

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Number of job related accidents, illnesses and fatalities	170,727	173,079	163,540	165,698	155,333	141,844	131,691

SOURCE: Injury Processing Report, Missouri Department of Labor and Industrial Relations

#### Description of Measure

These measures represent the total number of First Reports of Injury (FRI) received by the Division of Workers' Compensation. The first measure is the aggregate of accidental injuries and occupational diseases. Separating accidental injuries from occupational diseases is inappropriate because settlement of or payments on a case are made the same way regardless of the cause or nature of the injury. Therefore, it is difficult to make a distinction as to cause or nature and provide a precise number of occupational diseases.

#### Why This Measure is Important

Unsafe workplace practices endanger the health and safety of Missouri's workforce and can hinder the educational opportunities and development of working children.

In 2004, 104 people lost their lives in Missouri workplaces and approximately 143,000 were injured on the job. The top five major industry groups with the highest number of nonfatal occupational injuries in Missouri in 2002 were transportation equipment, transportation by air, miscellaneous manufacturing, primary metal industries and stone, clay and glass products. Manufacturing was the industry with the highest number of nonfatal occupational injury and illnesses cases, as well as the highest incidence rate of nonfatal occupational injuries and illnesses in 2002. However, the number of cases and incidence rate was 9.8 percent, reduced from 10.1 percent in 2001. Improving working conditions throughout Missouri will contribute to a decrease in work related injuries.

## **Trend Analysis**

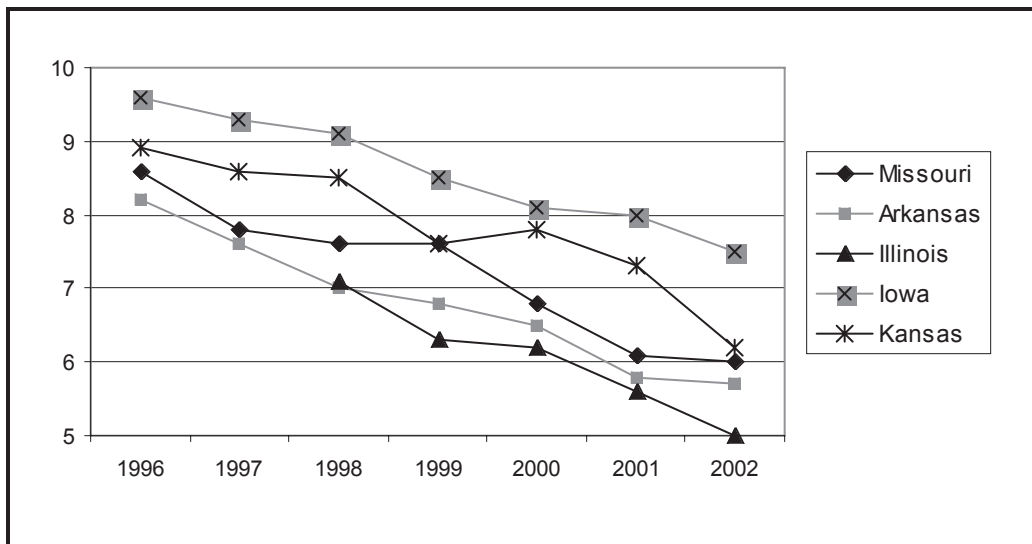
There has been a significant reduction of injuries in Missouri workplaces over the last seven years. This reduction in workplace injuries has occurred even though a booming economy added workers to the labor market. The 22.8 percent decrease in workplace injuries since 1998 is a result of several factors. First, the legislative reforms in 1993 made significant changes in workers' compensation law, particularly safety, which encouraged employers and workers to take a close look at their safety programs and incorporate safety features into their workplaces. Second, the positive trend in injuries is further stimulated by the work of the safety programs offered through the Department's three safety and health programs; On-Site Safety and Health Consultation, Mine and Cave Safety and Health Training and Inspection and Missouri's Workers' Safety. By removing or controlling identified safety and health hazards in the workplace, employers are able to reduce likely Federal Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA) fines. Third, the educational efforts of the Department have provided employers and workers with an important source of information to help them achieve their safety goals. The reduction of workplace hazards results in fewer accidents, which contributes to lower workers' compensation premium costs and improves employee productivity, product quality and job satisfaction.

## **Factors Influencing the Measure/Concerns**

Although the number of injuries in the workplace has reduced over the past seven years, workplace safety continues to be a challenge for Missouri businesses. Compliance with OSHA regulations is especially challenging for small businesses in Missouri. The Department offers three safety and health programs to combat workplace injuries: Missouri Workers' Safety, On-Site Safety and Health Consultation and Mine and Cave Safety Training and Inspection. However these programs are voluntary for Missouri employers. Under the Missouri On-Site Consultation Program, the Department has no statutory authority to enter a business uninvited to inspect for workplace hazards or assess fines. In addition, the Consultation program is mandated to only normally visit businesses that employ 250 or fewer employees. Also, many employers are not fully aware of the benefits of safety and have misgivings about using a government agency to critique their safety programs.

## How Missouri Compares to Others

According to the Bureau of Labor Statistics (BLS), US Department of Labor, Missouri is comparable with neighboring states in nonfatal rates of occupational injuries and illnesses per 100 full-time workers, in private industry.



	1996	1997	1998	1999	2000	2001	2002
Missouri	8.6	7.8	7.6	7.6	6.8	6.1	6.0
Arkansas	8.2	7.6	7.0	6.8	6.5	5.8	5.7
Illinois	*	*	7.1	6.3	6.2	5.6	5.0
Iowa	9.6	9.3	9.1	8.5	8.1	8.0	7.5
Kansas	8.9	8.6	8.5	7.6	7.8	7.3	6.2

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics

\*Data not provided.

## What Works

Providing training and educational information to Missouri employers has proven to increase workplace safety. Offering a no-cost, no-fine, on-site consultation visit protects Missouri's workers while assisting employers to stay competitive in the changing marketplace.

The On-Site Safety and Health program within the department has shown a nominal increase in the number of safety and health hazards identified and abated. This has been accomplished through a concentrated effort by the program to visit the highest hazard industries which are shown to have high rates of accidents and illnesses.

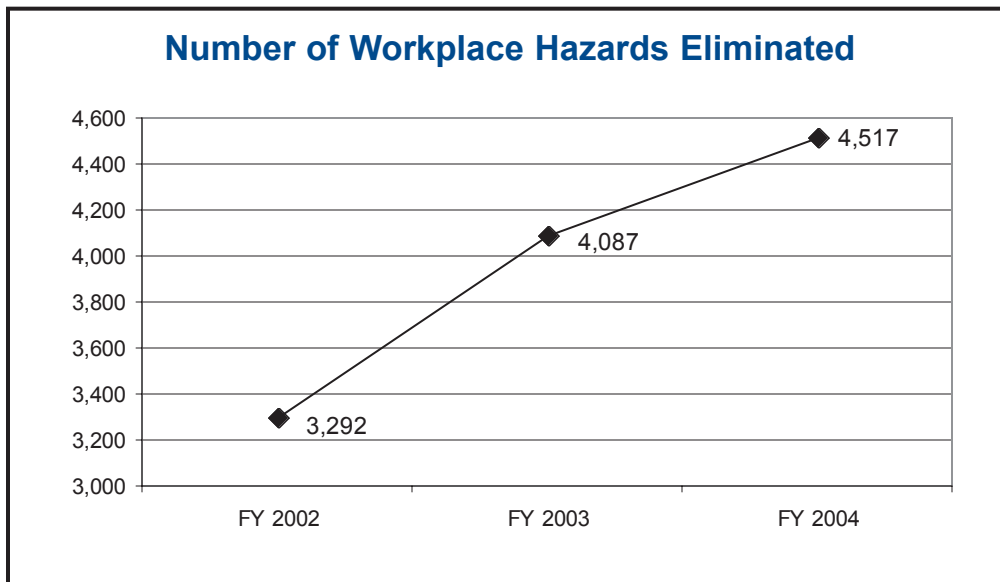
Good data must be available to determine how safe and healthy workplaces are in Missouri. The absence of this data makes it impossible to develop educational outreach services, worker safety programs and injury and illness prevention measures to be implemented at worksites. The Department's Research and Analysis Section, in cooperation with the U.S. DOL, Bureau of Labor Statistics, collects and processes occupational injury and illnesses data in Missouri. This survey accounts for occupational injuries and illnesses across the various occupations and industries in Missouri and helps industries develop work safety programs.



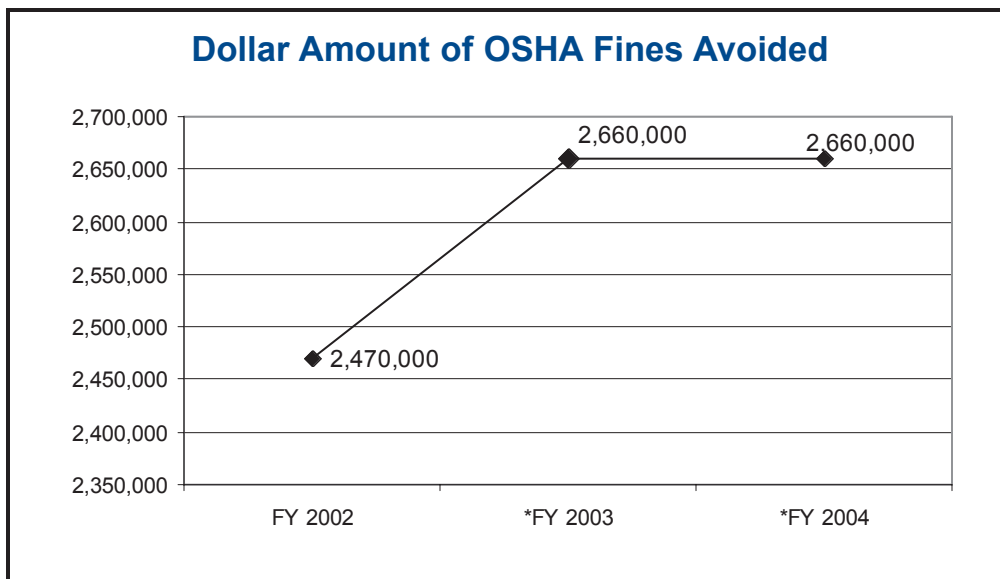
## OBJECTIVE 1.1:

**Increase by 2% (4,517 to 4,607) the number of workplace hazards eliminated resulting in a 2% (\$2.66 to \$2.70 million) cost savings for Missouri businesses.**

**Decrease by 2% (1,710 to 1,676) the number of workplace hazards found at Missouri mine sites.**



SOURCE: Division of Labor Standards, Department of Labor and Industrial Relations



SOURCE: Division of Labor Standards, Missouri Department of Labor and Industrial Relations

\*In 2003 and 2004, OSHA decreased the average dollar fine per hazard.

## Data Table

	Actual			Projected		
	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Increase the number of OSHA hazards eliminated	3,292	4,087	4,517	4,607	4,699	4,793
Increase the amount of OSHA fines avoided	\$2.47 mil	*\$2.66 mil	*\$2.66 mil	\$2.70 mil	\$2.75 mil	\$2.81 mil
Decrease the number of MSHA hazards found	**	**	1,710	1,676	1,642	1,609

SOURCE: Division of Labor Standards, Missouri Department of Labor and Industrial Relations

\*In 2003 and 2004, OSHA decreased the average dollar fine per hazard.

\*\*This was a new measure in fiscal year 2004.

## Description of Measure

Workplace hazards could be in any of the following categories:

Serious: can cause an accident or health hazard exposure resulting in death or serious physical harm.

Other-than-serious: lack the potential for causing serious physical harm, but could have a direct impact on employee safety and health.

Regulatory: reflects violations of the OSHA and MSHA posting requirements, record keeping requirements and reporting requirements.

The dollar amount of MSHA fines is determined by multiplying the number of hazards found and abated by the average cost of a cited MSHA violation, which is \$275.00.

The dollar amount of OSHA fines is determined by multiplying the number of hazards found and abated by the average cost of an OSHA citation, which is currently \$608.00.

## Why This Measure is Important

Missouri's businesses become safer through the identification and elimination of workplace hazards. In the last five years, nearly 30,000 workplace hazards have been identified and eliminated. The safety programs provided by the Department assist employers in complying with complicated federal OSHA/MSHA regulations. Professionally trained safety and health consultants, inspectors and trainers must continue to provide consultations and training to employers in an effort to continue to reduce the number of workplace accidents, illnesses and fatalities.

## Trend Analysis

The number of workplace hazards eliminated has increased over the past five years. The identification and elimination of workplace hazards has resulted in the potential to lower workers' compensation premium costs and has improved employee productivity, product quality and job satisfaction.

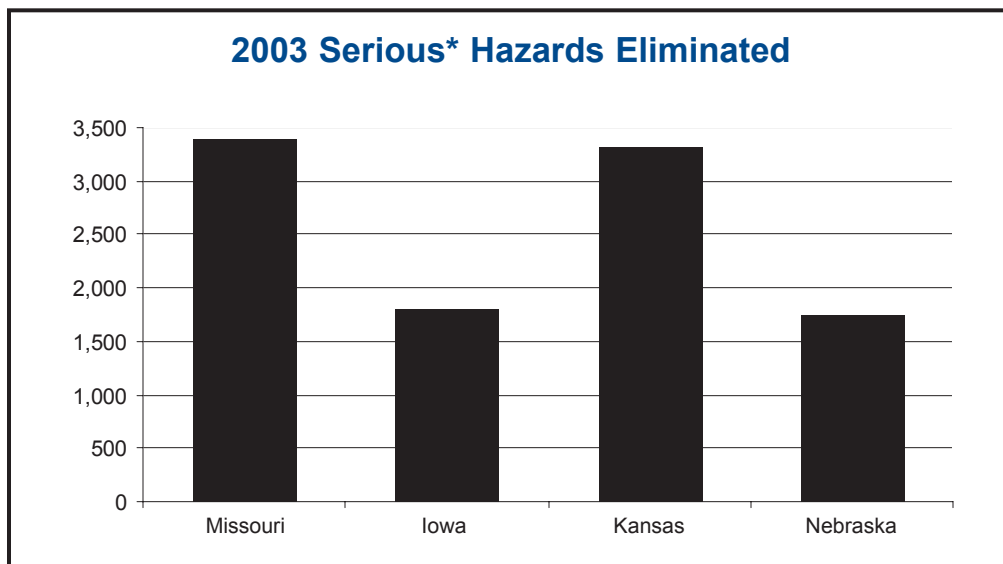
Over the last five years, the Department has helped employers realize a possible cost savings of over \$10 million by the recommended hazard abatements.

## Factors Influencing the Measure

1. Willingness of employers to abate identified hazards.
2. Ability to encourage employees to buy into their responsibilities for workplace safety and health.
3. According to Chapter 293, RSMo., the Department's Mine and Cave Inspection Program is limited to specific mines. This limits the program's exposure in the mining community.
4. OSHA limits the On-Site Safety and Health Consultation Program's customer base. They are required to service primarily high-hazard, small employers. OSHA chooses the high hazards yearly by reviewing and tabulating national data, not state by state. Unfortunately, the high hazards identified by OSHA do not necessarily reflect what is actually occurring in Missouri.
5. During fiscal years 2003, 2004 and 2005, the On-Site Safety and Health Consultation Program has not met the 10% required general revenue match for the federal funds it receives. The general revenue amount has been deficient by more than \$12,000 each year. A request has been made for additional general revenue for fiscal year 2006, however, if denied the program will be forced to reduce staff and services.

## How Missouri Compares to Others

OSHA: Missouri shares a region with Iowa, Nebraska and Kansas. Other regional comparisons are not available.



SOURCE: Mandated Activities Report for Consultation, OSHA

\*Serious refers to any hazard that has the potential to cause serious harm or death.

MSHA: Missouri along with 49 states and the Navajo Nation have Mine Safety Training Programs, but Missouri and 10 other states have complete Mine Safety Programs that also include Mine Inspections and consultations. Other states do not measure the number of hazards identified and abated in mining. This is strictly a measure developed by the Missouri Department of Labor and Industrial Relations, Division of Labor Standards, Mine and Cave Safety and Health Training and Inspection Section to measure the success of our program. Other states have different measures to show success and accountability of their program Mine Safety Programs.

## **What Works**

Increased intensity and frequency of inspections and consultations, and outreach focused on specific target audiences continue to positively impact the reduction of workplace hazards.

## **Concerns**

The safety and health programs offered to Missouri's employers through the Department's Division of Labor Standards are funded through Cooperative Agreements with the U.S. Department of Labor (USDOL). Therefore, these programs must conform to requirements listed in the Cooperative Agreements for the fiscal year under contract such as business size or identification of high hazard businesses. OSHA/MSHA, as the contractor, has the right to set or change program requirements when or if they deem necessary.

The formula used to calculate the "fines avoided measure" is highly dependent on the previous year's activities of OSHA/MSHA citations. When the average dollar fine per hazard decreases in a given year, the total amount of cost savings will also decrease accordingly, as seen in fiscal year 2000 and 2003.

## **Strategies**

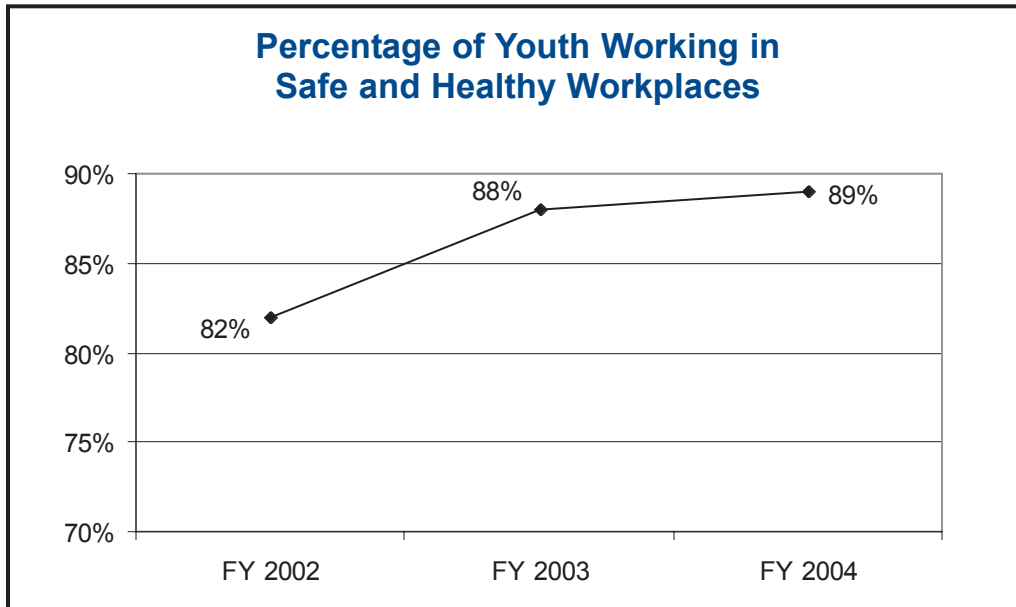
1. Target On-Site solicitations to the highest hazardous industries in Missouri.
2. Encourage employers to correct serious hazards identified in a prompt manner.
3. Target process areas in Missouri mines, mills and preparation plants that show an increase in accidents or injuries for intensified inspections and hazard awareness and elimination training programs.

## **Key Programs**

- On-Site Safety and Health Consultation
- Mine and Cave Safety and Health Training and Inspection
- Missouri Workers' Safety

## OBJECTIVE 1.2:

**Increase by 2% (89 to 91) the percentage of youth working in safe and healthy workplaces.**



*SOURCE: Division of Labor Standards, Missouri Department of Labor and Industrial Relations*

### Data Table

	Actual			Projected		
	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Percentage of youth working in safe and healthy workplaces	82%	88%	89%	91%	92%	93%

*SOURCE: Division of Labor Standards, Missouri Department of Labor and Industrial Relations*

### Description of Measure

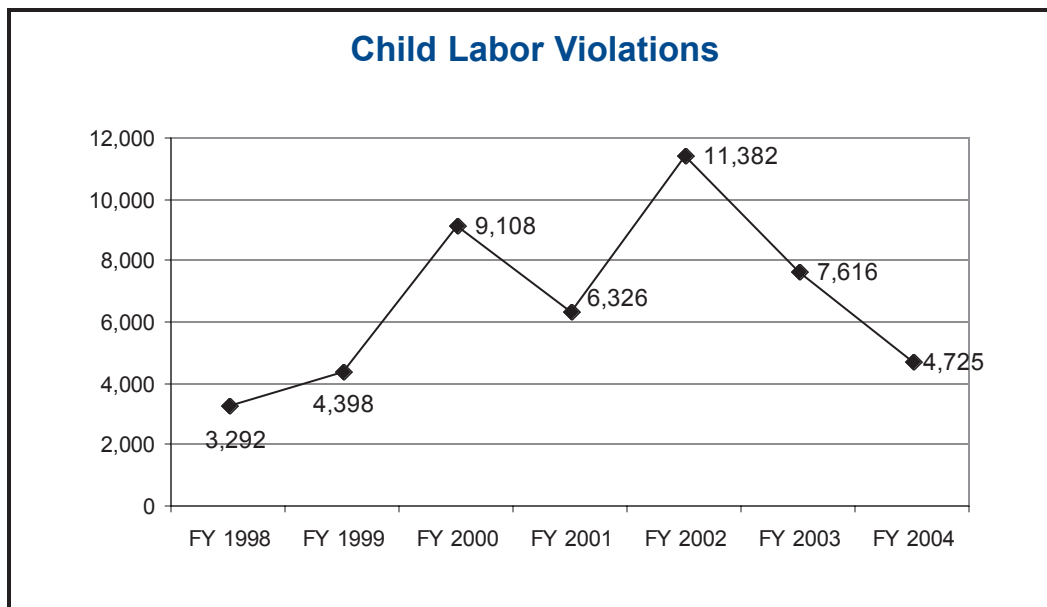
This measure represents the number of youth employed under the age of 16 found working in violation compared to the total number of youth found working. In fiscal year 2004, 1,369 of 1,538 youth were found working in compliance with the Missouri Child Labor law.

## Why This Measure is Important

Each year, many youth under the age of 18 are injured on the job. In fiscal year 2003 alone, nearly 1,800 Missouri youth were injured seriously. Since fiscal year 1998, over 30,000 child labor violations have been found. Correction of violations leads to more youth working in safe and healthy workplaces and provides better achievement of educational goals.

There are restrictions on the number of hours, times and places a fourteen or fifteen year old can work. However, there are no hour limitations for a child sixteen years or older. Working long and late hours leads to sleep deprivation. For school children this affects the educational process and increases the chance of being injured on the job. Violations of time and hour restrictions can cause increased drop-out rates, higher rates of drug and alcohol abuse, higher levels of gang activity, increased violent behavior, lower grade levels and increased absenteeism. When examining employment patterns of children under age 18, it is important to recognize that 80 percent of children work at some time during high school in addition to attending school. Thus, working 20 hours per week during the school year approximates a 50 hour workweek, not considering homework or extracurricular activities.

## Trend Analysis



SOURCE: Division of Labor Standards, Missouri Department of Labor and Industrial Relations

Over the past five years, more than 90 percent of child labor violations cited have been a result of youth having no work certificates and working improper times and hours. Young persons under 16 can work during the school term if they first get a work certificate. However, certain restrictions apply. These youth may not be employed during the school year for more than three hours on any school day or for more than eight hours on any non-school day and no later than 7:00 p.m. during the school year and 9:00 p.m. in the summer.

Historically, most child labor violations are found in the retail and food service industries.

## How Missouri Compares to Others

The table below indicates the number of inspections conducted in fiscal year 2003 for labor law compliance. Forty states responded to the survey. Missouri ranks third in total inspections conducted when compared to all 40 responses.

State	Total Inspections	Inspections showing violations	Total illegally employed minor found
Illinois	1,192	50	94
Iowa	679	*	0
Kansas	0	0	0
<b>Missouri**</b>	<b>7,249</b>	<b>7,616</b>	<b>414</b>
Nebraska	61	5	0
Oklahoma	369	36	*

SOURCE: 2002 Child Labor State Survey, Child Labor Coalition

\*No answer

\*\*Missouri's violation counts include all violations found in a business.

## Factors Influencing the Measure

Missouri's Child Labor Law only applies to youth under 16. However, very little employment data is available for youth these ages. Therefore it is impossible to determine exact rates of injury and whether the rates are increasing or decreasing.

Fourteen and fifteen year olds work several "odd jobs" that may never be reported as true employment. Therefore, some workplace injuries are not reported.

If violations are found during inspections, employers often state they are not aware of the Child Labor Law. In addition, youth tend to accept jobs at less pay and are easily intimidated by employers.

## What Works

The Department provides outreach and education relating to the Missouri Child Labor Law. Regular educational sessions are provided to educators, employers, parents and school officials on their rights and responsibilities under the law.

Information is provided to employers and other organizations to ensure the employment of children is not detrimental to their health and educational needs.

Compliance inspections lead to protection for youth in the workplace, leading to fewer injuries and better quality education.

## Concerns

The Department doesn't have accurate workplace injury incident rate data due to the lack of youth employment data. Therefore, it's difficult to determine the safety and health related impact from Department efforts.

## Other Sources of Information

Child Labor Coalition

Protecting Youth at Work – National Research Council, 1998

US Department of Labor, Wage & Hour Division

Young Worker Safety and Health Network

National Institute of Occupational Safety and Health

US Department of Labor, Bureau of Labor Statistics

## Strategies

1. Structure the Wage and Hour section as necessitated by current budgetary constraints while being cognizant of the impact on the Division's customer base.
2. Provide ongoing educational outreach to the state's largest employer of youth, food industry employers. This includes a partnership with the Missouri Restaurant Association and their members, as well as other business groups and associations to assist them in understanding their rights and responsibilities pertaining to the child labor law.

## Key Program

- Child Labor



## **OUTCOME TWO:**

### **Increased Efficiency and Customer Satisfaction with Department Services.**

#### **Why This Measure is Important**

The Department constantly reviews how services are provided to customers. A strong emphasis is placed on planning and accountability. Employers, insurance companies and citizens are required by law to do business with the Department. Although we do not compete for business, if department services are not timely or are too expensive, customers will be dissatisfied. Our goal is to provide all customers with exceptional service in the most cost efficient manner and innovative ways possible. Meeting this goal includes identifying key products, reviewing processes and using customer feedback when making changes.

As the use of technology continues to increase, the Department plans to concentrate on providing additional services through the Internet. Increasing the use of services via the Internet will reduce the labor necessary to enter data and file forms, decrease the amount of paper processing required and improve processing time. In order to truly improve customer satisfaction, E-filing should simplify the process for customers and provide a more convenient way to interact with the Department.

## OBJECTIVE 2.1:

**Increase by 2%, the percentage of accurate (from 76 to 85)  
and timely (from 50 to 55)**

**First Report of Injury (FRI) information received.**

### Data Table

	Actual			Projected		
	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Percentage of FRIs accepted due to accuracy	89%*	82%	76%	85%	90%	95%
Percentage of FRIs filed within statutory timeframe	40.2%	45.3%	50%	55%	60%	65%

SOURCE: Division of Workers' Compensation, Missouri Department of Labor and Industrial Relations

\*Does not include FRI received by hard copy, only through EDI.

### Description of Measure

1. The percentage of First Reports of Injury returned to the sender because the information on the form is inaccurate or incomplete.
2. The percentage of First Reports of Injury received by the Division within ten days of the date of injury.

### Why This Measure is Important

Approximately 132,000 workers' compensation injuries were reported in fiscal year 2004. Providing prompt and equitable resolution of cases of work related injuries requires that each case have accurate and complete information and that the information is received in a timely manner so that the case can reach a conclusion based on the most accurate and convincing information. In fiscal year 2004, 24% of First Reports of Injury were returned to the sender because of incomplete or inaccurate information. Also in that fiscal year, 50% of First Reports of Injury were sent to the Division within the statutory time period of ten days. Prompt resolution of a workers' compensation case provides some economic stability to those individuals off work due to a work-related injury. The faster cases are resolved, the less expensive the process will be for the parties involved in the case. Prompt resolution depends, in part, on the Division receiving accurate and complete information within the time period prescribed by law. In addition, more accurate information provides the Division with tools to identify trends and act upon them.

## **Trend Analysis**

The Division of Workers' Compensation has not consistently tracked the incidence of incomplete filings or the inaccuracy for First Reports of Injury, but has just begun to track the promptness of filing of First Reports of Injury. Therefore, there is little historical information available to determine trends.

## **How Missouri Compares to Others**

It is difficult, if not impossible, to determine how Missouri compares to other states because each state collects medical information in a different manner, and not all states collect the same information.

## **Factors Influencing the Measure**

Even though the Division of Workers' Compensation has not consistently measured the incidence of incomplete filings or the inaccuracy for First Reports of Injury, and has just begun to track the promptness of filing of First Reports of Injury, it is aware that these factors may significantly impact the accuracy of the data and how timely receipt affects the resolution of a case. The Division believes that the steps it is taking to increase the receipt of data electronically will have a significant impact on accuracy and timeliness. These measurements are the first effort in controlling the accuracy, completeness and timeliness of the necessary data.

## **What Works**

Currently, the Division receives more than 75% of its First Reports of Injury electronically through Electronic Data Interchange (EDI). The Division realizes that collection of data electronically has a significant impact on the timeliness and quality of the data. This has been consistently demonstrated through the use of EDI. The Division believes that by mandating the use of EDI, as well as training insurance companies, self-insured employers and third party administrators who currently file First Reports of Injury by paper in the correct completion and filing of First Reports of Injury, the concerns raised in this objective will be considerably reduced.

## **Concerns**

Increasing the number of self-insured employers and insurance carriers that file First Reports of Injury electronically as well as increasing the number of forms that are electronically filed is imperative if the Division is to boost the timeliness and quality of the data in the Division's system. Since the electronic filing of First Reports of Injury is not mandatory, there are a number of employers and insurers who are not willing to file electronically. The Division feels that educating paper filers on the benefits of filing electronically will not influence their decision to file electronically. The growth of electronic filing may stagnate if filing EDI is not mandated.

## Strategies

1. Increase the number of employers and insurers filing EDI.
2. Enhance the use of electronic communication for documents coming in and going out of the Division.
3. Obtain approval for new rule to mandate the use of electronic filing for First Reports of Injury as well as for any subsequent reports that have been or will be developed.
4. Decrease, through training and quality control methods, the quantity of data that is incorrectly filed, the number of incomplete fields on the filed forms and the number of forms filed after the statutorily required days.
5. Work closely with insurance companies and self-insured companies to integrate their systems to file First Report of Injury electronically.

## Key Program

- Workers' Compensation

## OBJECTIVE 2.2:

**Increase by 2% (14% to 16%), the percentage of claimants filing new, renewed and reopened unemployment insurance (UI) claims and increase to 20% (from 18.8%), the percentage of claimants filing weekly UI claims via the Internet.**

### Data Table

	Actual			Projected		
	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Percentage of claimants filing new, renewed and reopened unemployment insurance claims via the Internet	5.7%*	14.2%	14.4%	16%	20%	22%
Percentage of claimants filing weekly unemployment insurance claims via the Internet	**	11.7%	18.8%	20%	20.5%	21%

SOURCE: Division of Employment Security, Missouri Department of Labor and Industrial Relations

\*Internet Claims Filing system was implemented December 18, 2000, however was not marketed until 2/9/01.

\*\*Filing of weekly UI claims was implemented in February 2002.

Since the continued claims capability via the Internet was added in February 2002, 1,154,121 claimants requested 1,232,986 weeks through the Internet application. The total number of continued claims filed via the Internet since February 2002 is approximately 13.09 percent of the total number of continued claims filed statewide.

### Description of Measure

1. Percentage of the total number of initial UI claims filed.
2. Percentage of the total number of weekly UI claims filed.

### Why This Measure is Important

Missouri's unemployment is impacted by seasonal and economic fluctuations. UI claim filing activity is also greater at the beginning of the workweek. With these factors, it is difficult to consistently meet customers' expectations for prompt service during periods of peak workloads.

In 1996, the Department changed the way individuals file initial claims for UI benefits. Instead of reporting in person to local offices, unemployed individuals file initial UI claims by placing a toll free telephone call to one of four Regional Claims Centers (RCCs).

The RCCs received over 358,000 telephone calls in fiscal year 2004 on the toll free 800-line for initial claims. Occasional upturns in the economy affected the number of UI claims filed. During periods of high unemployment (January, July, October and December), the Department received a substantial increase in the number of claims filed. In December 2003, the extended time period for filing Temporary Extended Unemployment Compensation (TEUC) claims ended.

As the number of Internet filed claims increases, the number of initial claim calls to the RCCs on the 800-line will be reduced. The Department anticipates this reduction will result in quicker responses and improved customer satisfaction as well as cost savings. With an average of 5.4 minutes per UI call and a cost of seven cents per minute for the toll free 800-line, a 10 percent reduction in the number of calls would result in a potential cost savings of \$13,532 per year (based on the number of calls received in fiscal year 2004).

The On-line Claims Filing System is available 24-hours a day, seven days a week, with a few exceptions for maintenance. The accessibility of this system provides another filing method and expands the hours of services.

## **Trend Analysis**

The Department began taking UI claims via the Internet in December 2000. Since the On-line Claims Filing System was launched, the Department has seen a dramatic increase in the number of Internet claims. During the first half of 2004, there were 144,573 total initial claims filed. The number of initial claims filed via the Internet was 24,418. While the total number of initial claims filed during the first half of 2004 is lower when compared to the same period in 2003, 16.9 percent of initial claims were filed over the Internet during the first half of 2004. This percentage is an increase over the 14.8 percent that was generated during the first half of 2003. At that time, a total 193,745 initial claims were filed and, of those, 28,631 were filed electronically. Since the program's implementation, approximately 157,173 claimants have filed initial claims for UI benefits through the On-Line Claims Filing System. This equates to approximately 15 percent of all initial claims being filed electronically since December 2000.

A satisfaction survey is also a component of the Internet application. Survey results indicate 94.7 percent of the Internet filing claimants agree or strongly agree the application is easy to use. Approximately 92.2 percent indicated satisfaction with the new filing method. Additional information provided by the survey indicates that 25.5 percent of the Internet claimants learned about the on-line filing option through the Department's Interactive Voice Response (IVR) System. Almost 53 percent file after regular business hours and 88 percent of those filing via the Internet do so from the convenience of their homes.

Beginning in May 2003, the ability to file continued (weekly) claims was added to the On-line Claims Filing System. Missouri, currently, is one of 28 states with operational Internet continued (weekly) claims filing capabilities. Since this enhancement was added to the On-line Claims Filing System, the Department has processed more than 1,232,986 continued (weekly) benefit claims. This means that approximately 13.1 percent of all Missouri continued (weekly) claims have been filed via the on-line system.

## **How Missouri Compares to Others**

There are 36 states that have implemented some level of Internet initial claims filing. When the on-line system was implemented in December 2000, Missouri was the only state that immediately interfaced the claimants' data with employer wage information to process the claims immediately without requiring staff to key or review the information. As a result, Missouri has been able to redirect more than 23,660 staff hours toward providing faster responses and better customer service for all functions related to serving claimants.

## **Factors Influencing the Measure**

The Temporary Extended Unemployment Compensation (TEUC) Program, which Congress extended in January and May 2003, ended in December 2003. This program has had a significant impact on the number of unemployment claims filed via the Internet application. Approximately 188,000 Missourians were identified as potentially eligible for TEUC. There was no electronic filing method for eligible TEUC claimants to claim these benefits and the Department determined the necessary programming to allow claimants the filing for such benefits on-line was not cost effective for a temporary program. Eligible claimants, therefore, were required to file through the RCCs by using the IVR system. To date, more than 141,600 claims for TEUC benefits have been filed in Missouri.

## **What Works**

The On-line Claims Filing System is more convenient for many individuals and provides them with another option for filing UI claims. Internet filing eliminates the time unemployed workers spend waiting on the phone to speak to a claims representative and reduces the number of calls the Department receives. This leads to increased customer satisfaction, faster responses to claimants who have to use the IVR system, and allows staff to work on other claimant and claim issues.

## **Concerns**

As discussed earlier, the implementation of TEUC has a direct impact on the number of claims filed via the Internet because TEUC claimants could only file through the RCCs. The Department continues to research ways to enhance the current system to allow additional claimants to use the Internet filing process.

## Strategies

1. Increase marketing of the On-line Claims Filing System through public service announcements, radio advertisements, links and promotions on other websites, and IVR messages to direct claimants toward the Internet.
2. Include Internet UI services in employer seminars and give presentations including an Internet claims demonstration during the 2005 Labor Management Conference.

## Key Program

- Unemployment Insurance (Benefits)



## OBJECTIVE 2.3:

### **Increase to 5% (from 0), the percentage of employers filing contribution wage reports and/or payment of contributions via the Internet.**

The Department is currently developing an Internet option for employers to file contribution wage reports and make payments of contributions. A survey was sent to employers during 2001 which indicated approximately 38 percent of employers would be interested in using an Internet filing option. Programming began for this project in July 2003 and a pilot with 500 companies was implemented in 2004. The new system is scheduled for full implementation in January 2005.

#### Data Table

	Projected		
	FY 05	FY 06	FY 07
Percentage of employers filing contribution and wage reports via the Internet	5%	10%	15%
Percentage of contribution payments made via the Internet	5%	10%	15%

SOURCE: Division of Employment Security, Missouri Department of Labor and Industrial Relations

\*New measure. A baseline will be developed in fiscal year 2005.

#### Description of Measure

Percentage of the total number of contribution and wage reports and payment of contributions filed.

#### Why This Measure is Important

Four times a year, the Department prepares and sends a contribution and wage report form to the 130,000 employers in Missouri. This process uses approximately 80 internal employees and 28 part-time on-call employees for three and a half weeks each quarter.

Employers are given 30 days after each quarter to file their contribution and wage report information and submit payment of contributions. Employers may send a hard copy of this report to the Department or file through magnetic media. Magnetic media includes disk, reel-to-reel and cartridge. Approximately 20,000 large employers submit their information through magnetic media. However, over 100,000 employers have less than 250 employees. These employers are submitting their

contribution wage report and/or payment through the mail. The Department sorts the reports, enters specific data, scans the documents and then forwards the report to a contractor for additional data entry. This entire process typically takes six weeks.

The filing of contribution and wage reports and payments via the Internet will give employers another option when filing mandatory employee information. The new option will provide employers with a faster, easier and more convenient means to file contribution and wage reports and payments. As more employers utilize the new option, the Department will experience a decrease in the amount of data entry, postage, and part-time employee cost and staff will have more time to work on other job duties.

## **Trend Analysis**

Since fiscal year 1998, an average of 510,878 employers were liable for unemployment insurance coverage for their employees. Nearly 10 years ago employers were given the option to file their contribution and wage report through magnetic media. Employers welcomed this new method of filing and in the first seven years, the Department received approximately 40 percent of wage items filed through magnetic media. In 1998, legislation was passed that mandated employers with 250 or more employees to file their contribution and wage reports through magnetic media. Currently, approximately 60 percent of wage items filed by employers each quarter are through this method.

## **How Missouri Compares to Others**

Missouri will be among the first five states to offer Internet filing of contribution and wage reports. Maryland, Wisconsin, Texas and Nebraska are some states already offering this method to employers.

## **Factors Influencing the Measure/Concerns**

The Department must make filing of contribution and wage reports via the Internet as convenient and simple as possible. If information is difficult to find, computer screens are not easy to complete and services are not tailored to customers, this method of filing will not be successful.

Customers must be aware of and encouraged to use the Internet service. Some employers do not trust that information is relayed to the Department until he or she speaks to an employee, or do not feel comfortable sending payments over the Internet. The Department must ensure that it is providing improved customer satisfaction; otherwise few employers will take advantage of the filing method.

Placing additional information on the Internet will require additional funds. The assistance of the Department's Information Systems' section will be instrumental in providing these services via the Internet.

## What Works

Employers through magnetic media file approximately 60 percent of wage items. This represents approximately 20,000 employers. The remaining approximate 108,000 employers that send a hard copy report to the Department file 40 percent of wages. It is reasonable to assume several employers currently filing through magnetic media will file via the Internet.

Offering employers the option to file contribution and wage reports via the Internet will be a new alternative. Therefore, successful approaches have not yet been identified.

## Strategies

1. Continue to implement new system to all employers.
2. Launch a marketing campaign to familiarize employers and accounting firms.
3. Include new method of filing in all employer seminars and use the mailings distributed with the quarterly employer UI contributions reports.

## Key Program

- Unemployment Insurance (Contributions)

## OBJECTIVE 2.4:

**Increase the percentage of first benefit payments made within 14 days of the first compensable week by 6% (from 84 to 90).**

**Increase the percentage of nonmonetary determinations on separation issues completed within 21 days from detection date by 20% (from 60 to 80).**

**Increase the percentage of lower authority appeals decided within 30 days of appeal by 14% (from 46 to 60).**

### Data Table

	Actual			Projected		
	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
*Percentage of first benefit payments made within 14 days of first compensable week	86.9%	85.2%	84.3%	90%	90%	90%
**Percentage of nonmonetary determinations on separation issues completed within 21 days from detection date	67.4%	57.4%	60.5%	80%	80%	80%
***Percentage of lower authority appeals decided within 30 days of appeal	62.80%	39.41%	45.9%	60%	65%	70%

### Description of Measure

\*This is a measure of how quickly the Department mails a claimant the very first UI benefit check on his or her claim. To be considered timely, the Department must mail the check no later than 14 days after the week ending date of the week claimed.

Example: A claim is filed effective June 13, 2004. The first two weeks on this claim are weeks ending June 19, 2004, and June 26, 2004. Each week is identified by the last day of the week and is referred to as the week ending date. If the claimant were eligible, week ending June 19, 2004, would be credited as the waiting week. The claimant would, therefore, be entitled to a check for the week ending

June 26, 2004, making it the first compensable week. To be timely, this check must have been mailed by July 10, 2004.

**\*\***This is a measure of how quickly the Department completes a determination on a separation issue (such as the claimant quit or was discharged). To be considered timely, the Department must complete that determination no later than 21 days after the detection date. The detection date is the first day the Department became aware that the separation issue existed. This may be at the time the initial claim was filed or it may be after the Department has received a protest from an employer.

Example: A claim is filed on June 4, 2004. When the claimant files the claim, she tells the claims representative her most recent employer discharged her. The detection date is June 4, 2004. To be timely, the Department must have made a determination on this separation no later than June 25, 2004.

**\*\*\***The period from the date of appeal to the date the decision is mailed.

## **Why This Measure is Important**

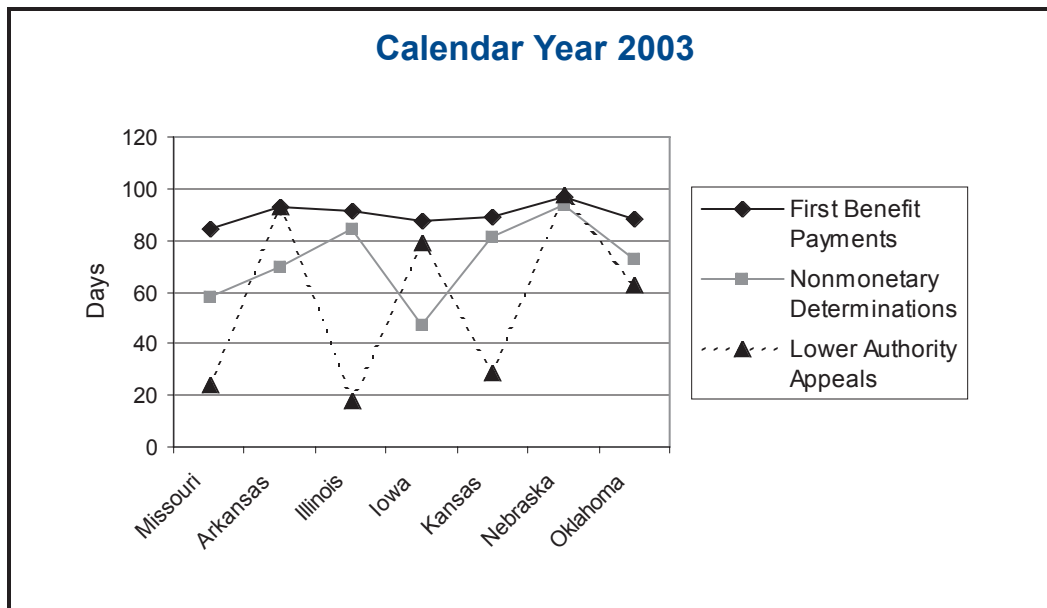
Unemployment Insurance benefits provide partial protection against loss of wages for workers who become unemployed through no fault of their own. The UI benefits paid to insured workers help to boost the economy of the state during periods of economic downturn by helping maintain the level of consumer purchasing power.

Timely resolution of claims and appeals will result in prompt payment to eligible claimants. Prompt payments of these benefits will result in eligible claimants receiving money faster, thus helping families during periods of financial hardship.

## **Trends**

On average, the Department has consistently processed 86 percent of UI claims within 14 days and 96 percent within 35 days. The UI program is a joint federal/state system. The federal government places performance standards on various components of the program. In 2001, the federal government raised the performance standard from 87 to 90 percent of first payments processed within 14 days. Effective 2002, the federal government established a performance standard of completing 80 percent of nonmonetary determination separation issues within 21 days from the detection date. As the workload increases, it becomes more difficult to meet federal standards. The federal government has not placed sanctions, yet, if performance measures are not met.

## How Missouri Compares to Others



State	First Benefit Payments				Nonmonetary Determination				Lower Authority Appeals			
	CY 00	CY 01	CY 02	CY 03	CY 00	CY 01	CY 02	CY 03	CY 00	CY 01	CY 02	CY 03
Missouri	86.9%	87.1%	86.3%	84.5%	54.6%	63.7%	61.2%	57.9%	65.7%	54.4%	58.7%	24.1%
Arkansas	93.5%	91.9%	93.1%	92.6%	66.9%	60.2%	70.5%	69.7%	91.6%	90.3%	82.4%	92.7%
Illinois	92.2%	92.6%	92.1%	91.2%	85.8%	88.2%	86.1%	84.4%	75.7%	62.5%	16.0%	17.6%
Iowa	90.0%	89.4%	89.4%	87.3%	38.8%	33.7%	51.2%	47.0%	74.9%	68.1%	46.2%	79.2%
Kansas	92.3%	89.6%	87.6%	89.1%	84.5%	79.2%	74.4%	81.4%	83.0%	66.1%	15.2%	29.0%
Nebraska	94.8%	95.2%	96.0%	97.0%	65.9%	83.7%	90.6%	94.0%	99.0%	85.7%	89.2%	97.2%
Oklahoma	92.0%	90.4%	89.6%	88.1%	84.1%	78.1%	81.1%	73.0%	96.6%	96.6%	69.8%	62.6%

SOURCE: UI Performs 2003 Ranking Report, US Department of Labor

## Factors Influencing the Measure

Prior to this year, the UI workload has consistently increased over the past few years. A comparison of the workload from fiscal year 2003 shows the fiscal year 2004 workload experienced over a 10.6 percent decrease in new and renewed claims, and over a seven percent decrease in weeks claimed. While these decreases reduced some of the demands on the RCC staff and increased the number of staff who could be assigned to incoming calls, the significant reductions were not experienced until Spring 2004.

Because the On-line Claims Filing System does not allow for the filing of TEUC claims, implementation of TEUC also added to the demands placed on the RCC staff. The Department determined approximately 188,000 Missourians were potentially eligible for TEUC benefits. In order to determine

eligibility, claimants were required to contact their area RCC and provide claims center staff the information necessary to determine eligibility for TEUC benefits.

Staffing of the RCCs is crucial to the success of prompt payments and reduced wait time on phone calls. RCCs have been operating at approximately 10 percent below their allocation. The Department continues to experience employees retiring. Most of these employees retired with over 20 years of service. Additionally, after receiving training, employees accept positions outside of state government earning higher salaries. The loss of knowledgeable employees and consideration of hiring and training new employees has a significant impact on the timeliness of cases.

High caseloads and vacant positions are also a concern for the UI appeals section.

## **What Works**

The Department continues to use monitors stationed on the desks of each RCC team supervisor to provide access to a real-time management system for use in managing incoming calls. The monitors indicate the number of calls in the queue waiting to be answered. When a RCC team supervisor notices the queue getting full, he or she will notify central office to re-route telephone calls from one RCC to another. The shift in workloads allows staff to answer incoming calls in a timely manner resulting in decreased wait time and abandoned call rate and increased customer satisfaction. This leads to prompt payment of benefits to claimants.

Expanding the hours a claimant can file an UI claim also assists in decreasing wait time on the phones and increases the timeliness of cases. In the past, staff has been asked to work state holidays to work on nonmonetary determinations. This results in more timely payments to claimants and fewer information calls, allowing more staff to be assigned to initial claim calls.

In May 2002, the Department added the option for claimants to file weekly UI claims via the Internet. This enhancement to the current system will allow more claimants to file via the Internet, resulting in prompt UI payments.

## **Concerns**

Hiring, training and retaining RCC staff is imperative to increasing prompt UI payments to claimants. It takes approximately two years before new employees become fully knowledgeable on the law, rules and regulations under the UI program.

A downturn in the economy has resulted in additional UI claims filed in the past three years. First, TEUC added over 141,600 claims to the already elevated claims workload. Second, additional workloads with existing staff levels have made improvements in this area difficult. In fiscal year 2004,

Missourians filed 3,397,928 weekly unemployment insurance claims and the Department paid a total of \$673,627,996 in unemployment benefits.

It is imperative that benefits are available to those unemployed workers filing for UI. The UI trust fund became insolvent in March 2003. Missouri's UI trust fund was established by law and is used exclusively for the payment of unemployment insurance benefits under Missouri's regular UI program. The fund is supported by contributions (taxes) from private for-profit employers and payments by certain governmental and nonprofit employers who reimburse in lieu of paying contributions.

Attempts to introduce funding mechanisms that would address the solvency of the trust fund failed during the 2002 and 2003 legislative sessions. During the 2004 legislative session, however, legislation was enacted to correct Missouri's low reserve-ratio percentage and its deficit trust fund balance.

## Strategies

1. Conduct reviews of the record control function in all four RCCs to improve the timeliness of nonmonetary determination separation issues completed within 21 days, and improve the first payment timeliness of UI benefits.
2. Develop time saving procedures to reduce amount of staff time required to process initial claims and nonmonetary determinations.
3. Change the number of days claimants are given to respond to the request for separation information as of the date the letter is mailed from ten to seven.
4. Allow the faxing of the completed requests to claimant for separation information and purchase four fax machines that will be dedicated to only receiving this data.
5. Reduce the period for releasing payment on a claim from 14 days to 12 days from the date the protest notices are mailed to the claimant and employer.
6. Pursue the long-range goal of developing the ability to process UI claims using automated folders.

## Key Program

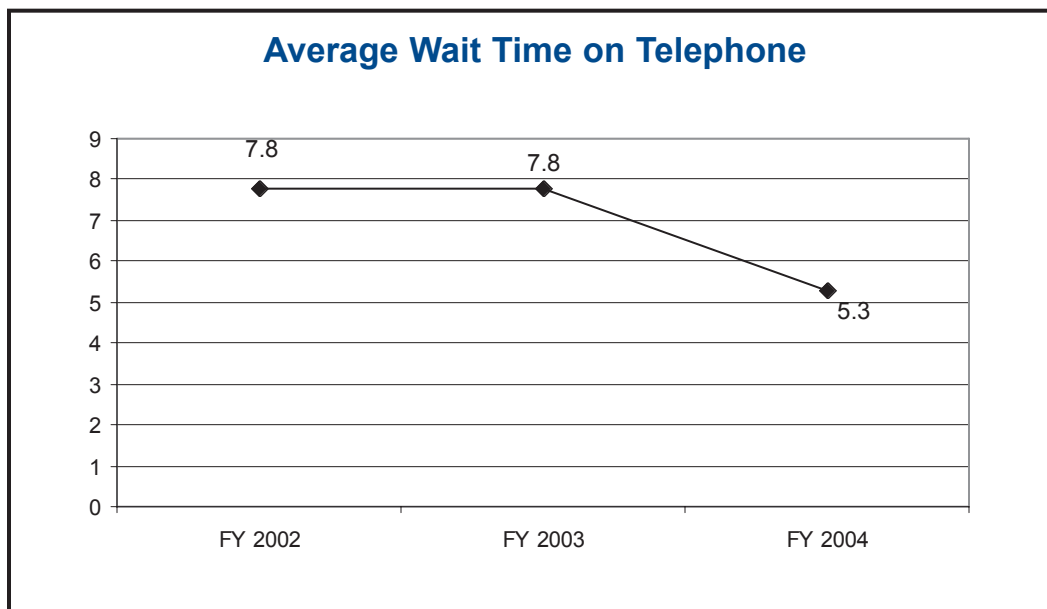
- Unemployment Insurance (Appeals, Benefits)



## OBJECTIVE 2.5:

**Reduce the average wait time on telephone when filing an UI benefit claim from 5.3 to 5.0 minutes.**

**Increase the average number of calls answered per RCC staff by 2% (from 4,217 to 4,301).**



SOURCE: Division of Employment Security, Missouri Department of Labor and Industrial Relations

## Data Table

	Actual			Projected		
	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Average wait time on telephone*	7.8 min	7.8 min	5.3 min	5.0 min	4.5 min	4.0 min
Average number of calls answered per RCC staff**	4,019	4,217	4,217	4,301	4,387	4,475

SOURCE: Division of Employment Security, Missouri Department of Labor and Industrial Relations

## Description of Measure

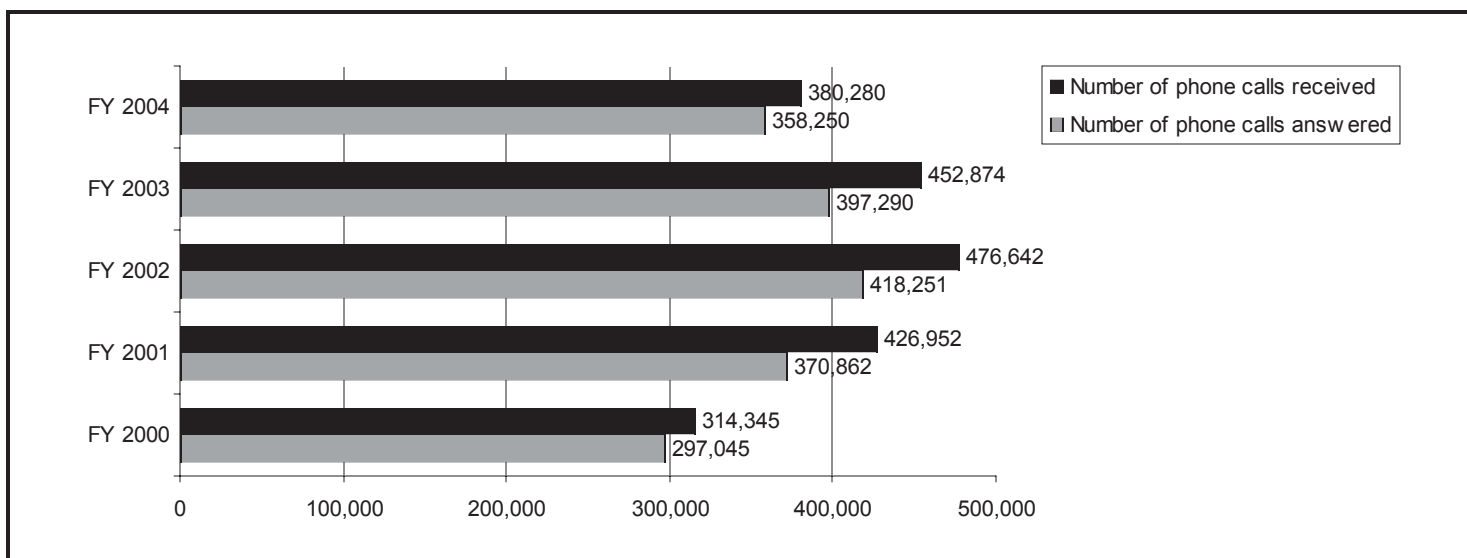
\*The average wait time is the total delay time divided by the number of calls answered. Delay time is how long callers wait before their call is answered. The IVR System measures the delay time in seconds and this amount is then converted into minutes.

\*\*Number of calls answered divided by the number of positions worked. Positions worked are an average for each fiscal year and includes annual and sick leave.

## Why This Measure is Important

Unemployment Insurance benefits provide partial protection against loss of wages for workers who become unemployed through no fault of their own. The UI benefits paid to insured workers help to boost the economy of the state during periods of economic downturn by helping maintain the level of consumer purchasing power.

The RCCs receive over 400,000 telephone calls annually on the toll free 800 line for initial claims. During fiscal year 2004, the RCCs received 380,280 initial claim calls. Although initial claim calls declined slightly, TEUC claims accounted for an additional 37,549 calls.



SOURCE: Division of Employment Security, Missouri Department of Labor and Industrial Relations

## Trend Analysis

Turns in the economy significantly affect the number of UI claims filed and the number of telephone calls received. During periods of high unemployment (January, July, October and December), the Department receives a substantial increase in the number of claims received and number of calls answered.

Over the last five years, the average wait time on the telephone was approximately six minutes.

## **How Missouri Compares to Others**

The structure and method of the UI program differs from state to state. Some states have initial claims operations separate from adjudication. States such as Nebraska and Illinois have local offices for claimants to file UI claims, while others have RCCs. In addition, the amount of initial claim information taken by staff differs between states based on the law in that state.

## **Factors Influencing the Measure**

Although the number of initial claim calls along with TEUC calls have increased during fiscal years 2002 and 2003, they did not begin to taper off until the second quarter of calendar year 2004. Two key factors influenced the number of phone calls between fiscal years 2002 and 2004. First, downturns in the economy significantly affected the number of UI claims filed. During periods of high unemployment, the Department receives a substantial increase in the number of claims filed. Second, as part of an economic stimulus bill, the U.S. Congress passed legislation that gave eligible workers in Missouri a 13-week extension of their UI benefits. As a result, nearly 190,000 potentially eligible claimants were notified.

Additional phone calls place greater demand on the RCC staff and increase wait time for claimants. This leads to claimants abandoning their phone call before speaking to a staff member.

Staffing of the RCCs is crucial to the success of prompt payments and reduced wait time on phone calls. RCCs have been operating at approximately 10 percent below their allocation. The Department continues to experience employees retiring. Most of these employees retired with over 20 years of service. Additionally, after receiving training, employees accept positions outside of state government earning higher salaries. The loss of knowledgeable employees and consideration of hiring and training new employees has a significant impact on the wait time for claimants.

## **What Works**

The Department continues to use monitors stationed on the desks of each RCC team supervisor to provide access to a real-time management system for use in managing incoming calls. The monitors indicate the number of calls in the queue waiting to be answered. When a RCC team supervisor notices the queue getting full, he or she will notify central office to re-route telephone calls from one RCC to another. The shift in workloads allows staff to answer incoming calls in a timely manner resulting in decreased wait time and abandoned call rate and increased customer satisfaction.

Expanding the hours a claimant can file an UI claim also assists in decreasing wait time on the phones and increases the timeliness of cases. In the past, staff has been asked to work state holidays to work on nonmonetary determinations. This results in more timely payments to claimants and fewer

information calls, allowing more staff to be assigned to initial claim calls.

In May 2002, the Department added the option for claimants to file weekly UI claims via the Internet. This enhancement to the current system will allow more claimants to file via the Internet, resulting in prompt UI payments. Fewer phone calls should be received at the RCCs, as more claimants utilize the Internet Claims Filing System.

## Concerns

Hiring, training and retaining RCC staff is imperative to increasing prompt UI payments to claimants. It takes approximately two years before new employees become fully knowledgeable on the law, rules and regulations under the UI program.

Turns in the economy and the implementation of TEUC Program generated additional UI claims filed. In April 2003, nearly 31,000 potentially eligible claimants were notified of an extension of UI benefits if unemployment resulted from an airline related employment. The U.S. Congress extended the stimulus bill in January and May 2003. Additional workloads with existing staff levels have resulted in delayed payment of benefits.

## Strategies

1. Increase marketing of the Claims Filing System through radio advertisements and public service announcements providing information regarding the convenience of filing for unemployment insurance benefits via the Internet.
2. Develop programming to allow claimants who have phoned the IVR System (800 toll free number) to access the On-line Claims Filing System.
3. Encourage more claimants to use the Claims Filing System through upgrading the current IVR to provide the claimant with automated, real-time, estimates of the wait time to be connected with RCC staff.
4. The Department will continue to investigate workload patterns in an effort to establish permanent staffing solutions for maximum efficiency.
5. Review current phone center processes and data to determine areas for improvement.

## Key Program

- Unemployment Insurance (Benefits)



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